

ROOM RENTAL - TRANSIENT TAX INFORMATION

1) ROOM RENTAL – TRANSIENT TAX IN GENERAL

Section 52-16 of the Montgomery County Code 1972, as amended, imposes the Room Rental and Transient Tax upon each and every individual, who for any period of not more than 30 consecutive days, actually occupies sleeping accommodations, for which a charge is made, in any hotel, motel or other similar place offering sleeping accommodations for five or more persons at any one time. Every hotelkeeper, which includes brokers, receiving any payment for room rental is subject to this tax and shall collect the amount of tax due at the time payment is made for the room and make a report and remittance of the tax to the County.

2) ACCOUNT NUMBERS AND QUESTIONS

To obtain an application for a new account or for room rental and transient tax related questions, contact the Division of Treasury, Excise Tax Unit, 255 Rockville Pike, Suite L-15, Rockville, Maryland 20850, Telephone (240) 777-8994.

3) SCHEDULED DUE DATES

Monthly returns must be filed on or before the last day of each month, covering the immediate preceding month. Upon written application to, and with the consent of the Director of Finance, the following quarterly schedule may be adopted for filing returns.

For months of:

January, February, March
April, May, June
July, August, September
October, November, December

Returns due on or before:

April 30th
July 31st
October 31st
January 31st

When using the quarterly schedule for filing, **a return for each month must be completed.**

4) INTEREST AND PENALTIES

Avoid penalties and interest by filing correct returns on time and by paying the correct amount of tax due with your tax return. The law provides for a penalty of 5% of the amount of the tax per month or part of a month not to exceed 25% of the tax, and interest at the rate of 1% per month or fraction of a month for late filing of returns or for failure to make timely remittances of tax due. Penalties are also imposed by law for making false statements, and for willful failure to pay, keep records, or file returns.

5) RECORDS

Copies of your returns and all records and information in support of all returns, should be maintained at your principal place of business or other convenient location for a period of at least three (3) years from the date of the tax return. Such records should be available and open to inspection by the Director of Finance or an authorized representative.

6) EXEMPTIONS FROM TAX

Foreign government officials are exempt, provided they present a valid exemption card issued to them by the U.S. Department of State. Room rentals paid to any hospital, medical clinic, nursing home, rest home, convalescent home or home for aged persons are exempt from Room Rental and Transient Tax and no report is due from such organizations.

7) NO EXEMPTION FROM TAX

No exemption will be granted to any Federal, State, County, or other municipal officials. No exemption will be granted to any transients connected with a non-profit organization.

8) ROOM RENTAL COLLECTIONS FROM NON-TRANSIENTS

Room rental payments received from each person occupying sleeping accommodations for more than thirty (30) consecutive days are not subject to this tax.

9) RATE OF TAX (Effective July 1, 1996)

The tax rate is levied at 7% effective after 12:01 a.m., July 1, 1996.

10) CONFIDENTIALITY

Individual taxpayer information provided on the return is confidential and is not shared with other entities.